MINUTES OF THE SENATE REVENUE AND TAXATION STANDING COMMITTEE MEETING

Room 250, State Capitol February 26, 2013

Members Present: Sen. Deidre Henderson, Chair

Sen. J. Stuart Adams Sen. Curtis S. Bramble Sen. Jim Dabakis Sen. Gene Davis Sen. Wayne A. Harper Sen. Scott K. Jenkins

Sen. Howard A. Stephenson

Members Absent: Sen. John L. Valentine

Staff Present: Mr. Phillip V. Dean, Policy Analyst

Ms. Nancy A. Skidmore, Committee Secretary

A list of visitors and a copy of handouts are filed with the committee minutes.

Chair Henderson called the meeting to order at 8:07 a.m.

Approval of Minutes

There were no minutes to approve.

S.B. 226 Sales and Use Tax Amendments (W. Harper)

Sen. Harper introduced and explained the bill.

MOTION: Sen. Harper moved to amend S.B. 226 as follows:

- 1. Page 15, Lines 450 through 460:
 - 450 (d) (i) "Online advertising" { includes: } means advertising that is anonymous and passive in nature.
 - (ii) "Online advertising includes:
 - 451 {<u>(i)</u>} <u>(A)</u> _ {<u>email communication,</u>} <u>advertising</u> <u>generated as a</u> result of generic algorithmic functions {<u>that are</u>}
 - 452 <u>anonymous and passive in nature</u>} ;
 - 453 { (ii) } an advertisement tied to an Internet search engine;
 - 454 {-(iii)} (C) a banner advertisement;
 - 455 { (iv) } (D) a click-through advertisement;
 - 456 $\left\{\frac{(v)}{(v)}\right\}$ (E) a cost-per-action advertisement;

Minutes of the Senate Revenue and Taxation Standing Committee Meeting February 26, 2013
Page 2

The motion passed unanimously, with Sens. Adams, Bramble, Davis, and Stephenson absent for the vote.

Spoke in favor of the bill: Mr. Royce Van Tassell, Vice President, Utah Taxpayers

Association

Mr. Aaron Schubach, Chief Executive Officer, Standard Optical

Mr. Scott L. Hymas, Chief Executive Officer, RC Willey

Mr. Roger Tew, Utah League of Cities and Towns

Mr. Dave Davis, Vice President and General Counsel,

Utah Retail Merchants Association

MOTION: Sen. Jenkins moved to pass S.B. 226, as amended, out favorably. The motion passed unanimously.

S.B. 84 Sales and Use Tax Exemption for Short-term Lodging Consumables (J. S. Adams)

Sen. Adams introduced and explained the bill.

MOTION: Sen. Adams moved to amend S.B. 84 as follows:

1. Page 124, Lines 3814 through 3815:

3814 (75) purchases { or sales } of a short-term lodging consumable { to or } by a business that

provides accommodations and services described in Subsection 59-12-103(1)(i).

The motion passed unanimously, with Sen. Harper absent for the vote.

MOTION: Sen. Adams moved to pass S.B. 84, as amended, out favorably. The motion passed unanimously.

H.B. 234 Corporate Franchise and Income Tax Fine and Penalty Amendments (B. Greene)

Rep. Greene introduced and explained the bill.

MOTION: Sen. Bramble moved to pass H.B. 234 out favorably. The motion passed

unanimously, with Sen. Adams absent for the vote.

MOTION: Sen. Bramble moved that H.B. 234 be placed on the Consent Calendar. The

motion passed unanimously, with Sen. Adams absent for the vote.

1ST SUB H.B. 62 Display of Prisoner of War and Missing in Action Flag (J. Westwood)

Rep. Westwood introduced and explained the bill.

Spoke in favor

of bill: Mr. Ron Lewis, Retired Navy Captain

Spoke against the bill: Mr. Peter Cannon, Retired Army Lieutenant Colonel

MOTION: Sen. Bramble moved to pass 1st Sub. H.B. 62 out with a favorably. The motion

passed unanimously, with Sen. Adams absent for the vote.

MOTION: H.B. 246 was not considered.

MOTION: Sen. Davis moved to adjourn the meeting. The motion passed unanimously, with

Sen. Adams absent for the vote.

Chair Henderson adjourned the meeting at 9:09 a.m.

Minutes reported by Nancy A. Skidmore, Secretary.

Sen. Deidre M. Henderson, Committee Chair